

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
Friday, February 27, 2009

California Exposition & State Fair
Grandstand Turf Club Facility
1600 Exposition Boulevard
Sacramento, CA 95815

Directors Present

Amparo Pérez-Cook, Chair
Gil Albani, Vice Chair
Director Marko Mlikotin
Director Kathy Nakase
Director Rex Hime
Director Steve Beneto
Director Corny Gallagher
Director Rick Stacey
Director Richard Cuneo

Directors Absent

Director Bert Johnson, M.D.

Ex Officio Member Present

Assembly Member Dave Jones

Ex Officio Members Absent

Senator Darrell Steinberg

Staff Present

Norbert J. Bartosik, General Manager/CEO (GM)
Brian A. May, Deputy General Manager (DGM)
David Elliott, Assistant General Manager, Racing (AGM)
Erica Manuel, Assistant General Manager, Marketing & Public Relations (AGM)
Patricia Garamendi, Assistant General Manager, Programs (AGM)
Amy Casias, Assistant General Manager, Fiscal Services (AGM)
Marcia Shell, Admissions, Parking & RV Park Manager
Paul Gillingham, Entertainment Coordinator
Mark Dannewitz, Maintenance Operations Manager
Robert Craft, Chief of Police
Greg Kinder, Exhibits Supervisor
Tomme Jo Dale, Programs Assistant
Brian Honebein, Sponsorship Sales
Tina Novoa, Special Events Coordinator
Jan Risso, Contracts Manager
Samantha Brown, Ticket Control Supervisor
Ron Hillier, Events Services Supervisor
Randy Brink, Cal Expo Volunteer
Linda Contreras, Recording Secretary

Others Present*

Jerry Blair, Deputy Attorney General (DAG)
Norm Towne, Legislative Advocate
Sonney Chong, Representative for Assembly Member Dave Jones
Susan McKee, Representative for Senator Darrell Steinberg
Estelle Saltzman, Runyon Saltzman & Einhorn
Jane Einhorn, Runyon Saltzman & Einhorn
Shelly McMenamy, Runyon Saltzman & Einhorn
Peter Norris, Runyon Saltzman & Einhorn
Courtney Pasqual, Runyon Saltzman & Einhorn
Margaret Cuado, Runyon Saltzman & Einhorn
John Moag, National Basketball Association (NBA)
Patrick O'Malley, Gensler
Marty Borko, Gensler
Shuprotim Bhaumik, Economic Research Associates (ERA)
Steve Balgrosky, Economic Research Associates (ERA)
Charles Smith, HOK Sport Venue Event
Claude Gruen, Gruen Gruen & Associates

*May not include all others present in the room or arriving late.

1. CALL TO ORDER

The meeting was called to order by Chair Pérez-Cook at 11:00 a.m.

2. PLEDGE OF ALLEGIANCE

Chair Pérez-Cook lead everyone in the Pledge of Allegiance

3. ROLL CALL AND DIRECTORS ABSENT

Chair Pérez-Cook read the Mission Statement, Policy Statement and Public Comments Statement.

Roll call was taken by GM Bartosik and a quorum was present. Director Johnson had asked to be excused and was not present.

GM Bartosik reported that Director Hendrickson was notified on Thursday by the Governor's office that she was not reappointed to the Board and that her term has ended. Director Hendrickson sent her regards to the Board.

4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guests and Staff were made around the room.

5. MINUTES OF MEETING

- a. Board Committees & Meeting Minutes of January 30, 2009

Motion:

It was moved by Director Hime and seconded by Director Nakase to approve the minutes of the January 30, 2009 meeting as mailed. **All in favor, motion carried.**

6. PRESENTATION

- a. Presentation to the Board of the State Fair Advertising Campaign for 2009 by Runyon Saltzman & Einhorn

Runyon Saltzman & Einhorn presented the marketing strategy and campaign for the 2009 State Fair. Copies of the electronic presentation are available upon request.

Media Director, Shelly McMenamy, reviewed the TV media plan "Let Yourself Go". The target will focus on English, Spanish & Asian markets with television ads.

The ads will be utilized for six weeks in surrounding areas as far as Yuba City, Modesto and east of Reno.

Newspaper print ads will be utilized for ten weeks in English and Spanish. State Fair Ticket packages and Concert Ticket sales will be advertised.

Digital media ads will also push the pre-sale of State Fair Ticket packages and Concert Ticket sales.

Outdoor ads will consist of freeway LED's, posters, and 14 shopping malls and factory outlets in English and Spanish.

State Fair radio ads will run in English, Spanish and Asian markets. State Fair ads will be a thirteen week ad campaign and would start as early as Memorial Day. For every dollar spent in media, Runyon Saltzman & Einhorn projects the State Fair will receive \$2.60 in value.

Account Manager, Courtney Pasqual, reported on the Community Outreach component for the 2009 State Fair campaign. The plan is to reach out to Cultural and Ethnic Communities. Also, to reach out to Sac State students, by taking Poppy and providing coupons and presenting information on the State Fair. State Fair posters will be distributed to various Hispanic bodegas and Asian markets in their languages. Faith base organization outreach is planned by including information in their monthly newsletters. Information will be provided to the State Fair "My Space" page.

A creative presentation was made by Associate Creative Director, Peter Norris and Margaret Cuado. The "Let Yourself Go - Weird Wild & Wacky" State Fair Campaign ads will be presented in both English and Spanish.

Directors Beneto and Stacy expressed a concern that the word "Wild" in the State Fair theme could encourage people to act out at the Fair in a negative way.

AGM Manuel reported that Staff is working with the Cultural Advisory Council in regards to the awareness of this element and asked that the message of public safety be taken back to the different ethnic communities.

Director Stacey asked if the English ad could also emphasize the family component as it did in the Spanish ad. Mr. Norris said that the ad could be changed to reflect the family component instead of the Weird Wild & Wacky component.

The presentation was concluded and the Board had no further questions.

Director Cuneo arrived at 11:45 a.m.

Norm Towne, Legislative Advocate, provided an update to the Board on PHASE I of the California Fairs Economic Stimulus Plan. A copy is attached and made part of the record.

Director Cuneo asked what budget cycle the \$217,000 was coming from? Mr. Towne responded that this is a continuous appropriation.

Beginning July 1, due to Senator Roy Ashburn's support, harness racing will no longer pay license fees.

Director Hime asked how our local representatives voted on this. Mr. Towne reported that Senators Steinberg, Cox and Assembly Member Niello voted aye. Assembly Member Jones abstained.

Director Mlikotin had a question about the risk associated with the dependence on the general fund, Mr. Towne reported that Cal Expo, in his opinion, was at no greater risk than the risk associated with the decline of revenue in the F & E fund.

Director Nakase thanked Mr. Towne for all his efforts on this matter. In conjunction with Director Mlikotin's comments, Director Nakase asked if the \$32 million can be automatically transferred without a budget and can that allocation be changed. Mr. Towne responded it can be changed at any time by an act of the Legislature just like our current allocation could be changed by an act of the Legislature.

Director Nakase asked GM Bartosik, in consideration of all the things Cal Expo needs to do concerning with the budget, will this change our direction or philosophy in terms of how we look at the budget. GM Bartosik reported that he did not think so since we have a continuous appropriation of our own funds.

7. COMMITTEE AND STAFF REPORTS

a. State Fair, Agriculture & Marketing Committee Report – Vice Chair Albani

GM Bartosik reviewed the thinking behind moving the Grape & Gourmet to the Sacramento Convention Center; the primary reason being the need for more space to accommodate the anticipated growth in ticket sales.

GM Bartosik reported on the partnership with the SCVB which will enhance the image and branding of the event.

Director Beneto commented that the relocation of the event is a big mistake and what would the cost be? GM Bartosik reported that the budget for the Grape & Gourmet is about a push as it stands now. With the budget that was worked out with the SCVB, it would be a \$20,000 profit and will also expand the capabilities

of the Friends of the Fair with a larger audience to continue their wine sales program for the scholarship program.

Director Cuneo shares Director Beneto's concern about moving the event. Were there exhibitors turned away at last year's event due to lack of space? Have we outgrown the space we have? GM Bartosik reported that the sponsorship development could be much greater. This gives us ample space to do this to make this program work. GM Bartosik thinks it's a bold, edgy move on our part and doesn't think it will hurt us. It will give us another opportunity to market the event in a different way.

DGM May added that 4,000 people attend this event, but only 1100-1200 people actually purchase tickets. This event should be a premier event selling 6,000-7,000 tickets. We haven't marketed to that level because we do not have room at the current location. The new location will help brand the event and the State Fair.

Vice Chair cautioned the Staff to work hard to retain the branding of the event so it is continued to be known as a State Fair event and to use this new venue to introduce people to the State Fair.

AGM Manuel reviewed her report included in the Board packet.

Sponsorship Sales, Brian Honebein distributed a Sponsorship Revenue Tracking Report for the 2009 State Fair. A copy of the report for review is on file.

AGM Garamendi reviewed her report included in the Board packet. A copy of the Friends of the Fair 2009 Scholarship Program and the 2009 California State Fair Calendar, revised copy, was distributed to the Board. Copies are attached and made part of the record.

Director Nakase informed the Board that under the Consent Calendar the names of 2 new Cultural Advisory Council members, Julie Anne Radke and Richard Novoa, were not listed but noted in AGM Manuel's report.

AGM Garamendi reported to the Board that the State Fair is seeking nominations for the Agricultural Advisory Council.

b. Horse Racing Staff Reports – Director Beneto

AGM Elliott reviewed his report included in the Board packet.

c. Operations & Planning Staff Reports

AGM May reviewed the reports included in the Board packet.

Director Gallagher reviewed the 2008 Profit/Loss Statement for Harness Racing Operations distributed to the Board.

d. Executive Staff Report – Chair Pérez-Cook

The Executive Committee had nothing to report.

e. Real Estate Staff Report – Director Hime

The Real Estate Committee deferred their report until this afternoon.

8. FINANCIAL REPORTS

a. Monthly Financial Statements for December 2008

b. Accounts Receivable Report

c. Contracts/Purchases Requiring Board Notification

Director Stacey reviewed the financial reports distributed to the Board and included in their Board packet.

Motion:

It was moved by Director Mlikotin and seconded by Director Nakase to approve the monthly financial statements for December 2008. **All in favor, motion carried.**

9. CONSENT CALENDAR

a. Consider Approval of GM's Recommendation for a Employee Exemption to the California Exposition & State Fair Incompatible Activities Statement

b. Consider Approval of Ad Hoc Committee Recommendations for Cultural Advisory Council (CAC) Appointments as Followed:

1. Re-Appointment

Indi Kallirai

Jerry Chong

Jose Reynoso

Lynda Dotson

Mathew Franklin

Mona Foster

Natalie Raz

Rosemary Jones

2. Appoint Alternates to Full Members:

Shaunda Davis

Reggie Sears

3. Appoint New Alternates

Edgar Sanchez

Dr. Greg Shaw

Motion:

It was moved by Vice Chair Albiani and seconded by Director Hime to approve the Consent Calendar as listed. **All in favor, motion carried.**

Motion:

It was moved by Director Nakase and seconded by Director Hime to approve Julie Anne Radke and Richard Novoa for full membership to the Cultural Advisory Council as noted on SF 1. **All in favor, motion carried.**

THE BOARD MEETING RECESSED FOR LUNCH AT 12:23 P.M.

10. ARENA/FAIRGROUNDS REPORT AND GROUP PRESENTATION

- a. The Real Estate Committee and NBA Representatives Will Provide an Update on the Current Status of the Proposed Project
 - Real Estate Committee Overview
 - Presentation of a Master Plan Concept
 - Proposed Project Economics/"Peer Review" Process by Cal Expo Consultant (Gruen & Gruen)
 - Overview of a New Fairgrounds and Arena
 - Synergy of the Property and Location/"Peer Review" Process by Cal Expo Consultant (Gruen & Gruen)
 - Potential Overall Economic Impact of Project
- b. Public Comments and Participation
- c. Board Commentary and Questions on the Presentations
- d. If the Board Chooses to Move Forward with this Project, the Board Will Have to Authorize an Extension of the Letter of Understanding (LOU) and Direct the Real Estate Committee and Staff to Work with the NBA to begin an Request for Qualifications (RFQ) Process to Seek Potential Developers for the Proposed Project

THE BOARD MEETING WAS RECONVENED AT 1:05 P.M.

Chair Pérez-Cook reopened the meeting following lunch recess and turned the meeting over to Real Estate Committee Chairman, Rex Hime, to introduce the agenda item. Director Hime introduced Real Estate Committee Member, Vice Chair Gil Albiani, and thanked Director Mlikotin for his past service on the committee.

Director Hime reviewed the operations of Cal Expo including a shortfall in funding to address \$45 million in deferred maintenance and fund \$150 million in capital investment highlighted in Cal Expo's Strategic Development Plan.

A summary of a timeline was presented dating back to March 2007 when Cal Expo first met with John Moag followed by a series of meetings which lead to further investigation as to the feasibility of redeveloping Cal Expo which would include a new fairgrounds and Arena. An LOU was approved by the Board in May 2008 and extended in November 2008 with an expiration date of March 31, 2009.

John Moag, consultant to the NBA, was introduced and he addressed the Board. Mr. Moag summarized the challenges presented by the economy and small market the Sacramento Kings operate in. This is a mixed use project with a projected 25 year build out. Funding would come from 3 sources: the developer, the Maloof organization, and tax increment financing.

Mr. Moag went on to say that the next four months would require discussions with potential developers, traffic studies, determining appropriate bonding mechanisms and seeking infrastructure funding.

Mr. Moag introduced Patrick O'Malley of Gensler. Mr. O'Malley provided background on Gensler.

Marty Borko of Gensler presented the proposed conceptual site plan. A copy for review is on file in the Administration Office and available on our website, www.calexpo.com.

Shuprotim Bhaumik of ERA presented the Financial and Economic Analysis. A copy for review is on file in the Administration Office and available on our website, www.calexpo.com.

Steve Balgrosky of ERA presented the Market Feasibility Study for the new Cal Expo fairgrounds.

Mr. Bhaumik said that the project should bring regional and national tenants to the project. The Arena is a big driver and will result in land values and rents that are much higher than a project without an Arena. Since the economy is uncertain and Cal Expo's peer reviewer, Claude Gruen, has arrived at a different land value and rental structural for the property, Mr. Bhaumik recommends going to the development community to test the conclusions of his financial and economic analysis.

THE MEETING RECESS AT 2:30 P.M. FOR A BREAK; THE MEETING WAS RESUMED AT 2:40 P.M.

Claude Gruen of Gruen Gruen & Associates was introduced by GM Bartosik. Mr. Gruen as a peer reviewer, hired by Cal Expo, gave his report. A copy for review is on file in the Administration Office and available on our website, www.calexpo.com.

Mr. Gruen expressed a concern with the conclusions presented by ERA saying that the land values and proposed rents could be overstated. Gruen concurs with Mr. Bhaumik's recommendation that we go to the development community to find out how they would value the project.

PUBLIC COMMENTS

GM Bartosik noted that Mayor Kevin Johnson had asked to speak on this matter but had to leave early.

Rob Fong, Sacramento City Council Member

Councilmember Rob Fong supports the project. Cal Expo is a big opportunity site for the City of Sacramento and the City is a willing partner.

Steve Cohn, Sacramento City Council Member

Councilmember Steve Cohn reported the Mayor had to leave but it's important to note that the Mayor does support taking the next step with an RFQ. Councilmember Cohn supports the project, thinks it's a good fit for the City and asks that the Board be mindful for the need for public transportation.

Mark Friedman, Co-Owner, Arden Fair Mall

Mr. Friedman supports the project and encourages the NBA and Cal Expo to move forward.

Rob Leonard, Sacramento County

Mr. Leonard said the County supports the project and encourages the NBA and Cal Expo to move forward with the next steps.

John Dangberg, Assistant City Manager

Mr. Dangberg appreciates the work of Cal Expo and the NBA and supports going to the RFQ stage. The Point West area between Cal Expo and Arden Fair needs to be addressed as part of the planning effort.

Gordon Garry, Sacramento Area Council of Governments

Mr. Garry read a letter into the record on behalf of Executive Director Mike McKeever. A copy is attached and made part of the record.

Barbara Stanton, Ridership for the Masses

Ms. Stanton supports the project and advocates for better transit to the site.

Matt Mahood, Sacramento Metro Chamber

Mr. Mahood commented that the Kings are a catalyst for growth and efforts need to be made to keep them in Sacramento.

Muriel Johnson, Executive Director, California Council for the Arts

Ms. Johnson supports the project and the Sacramento Kings and raises the importance of how important a first class Arena is for the arts.

Bill Camp, Sacramento Central Labor Councils AFL-CIO

Mr. Camp wants everyone to understand the importance of sustainable wages and the importance of completing the project with no new taxes.

Charlie Hooper, Folsom Chamber of Commerce

Mr. Hooper recommends that the rail yard developer, Thomas Enterprises, be given an opportunity to do the project.

Jim Lyons, Clear Channel

Mr. Lyons said that he is aware of great challenges the Board will face but supports the project and hopes the Board will continue with the process, Sacramento needs this.

Jeffrey Tucker

Mr. Tucker supports the project and asks that the Board think big when designing the project. In addition, Mr. Tucker asked for the record that an employment and recruiting plan be developed to reach a multi-cultural audience and he would help in any way to assist with this.

Frank Cirill, Save the American River Association and Community Activist

Mr. Cirill supports the project

Fletcher Lugardy

Mr. Lugardy supports Mr. Jeffrey Tucker's comment about thinking big.

Rick Tripp

Mr. Tripp asked about the timeline for building a new Arena. Director Hime referred him to Cal Expo's website for the information.

Constance Slider, Coalition on Regional Equity (CORE)

Ms. Slider supports the project and encourages the Board to move forward. Ms. Slider asks that the project benefit community organizations.

Lanford Tobe

Mr. Tobe believes that the racetrack should remain, The financial results are overstated and that the Arena should be built at the west end of Cal Expo.

Tyler Tratten

Mr. Tratten supports the project.

GM Bartosik also included for the record comments received from the community meeting held on Tuesday, February 24, 2009 from 6:00 – 8:00 pm. A copy is attached and made part of the record.

BOARD DISCUSSION

Ex Officio Assembly Member Dave Jones asked if a vote was going to be taken today. GM Bartosik responded only if someone chooses to make a motion and the Board acts on it. Ex Officio Assembly Member Jones expressed a concern with the amount of information that the Board was provided with for the first time. Ex Officio Assembly Member Jones asked about financing the first phase which includes the Arena and the fairgrounds. Mr. Moag responded as he had stated earlier, developer money, contribution from the Maloof's and Tax Increment Financing. Mr. Moag said he did not know at this time what amount the Maloof's would be contributing.

Ex Officio Assembly Member Jones asked Mr. Moag to define what Tax Increment Financing is? Mr. Moag responded that it included devoting property taxes generated by the project to pay off bonds sold to finance the project.

Ex Officio Assembly Member Jones asked if ERA or the NBA had calculated the cost of city services for the project such as police and fire. ERA responded no, but it would be good idea to go through the exercise.

Mr. Bhaumik talked about the new money that this project would generate from guests coming from outside the region. Gruen responded that determining this demand is very difficult.

Vice Chair Albiani confirmed that ERA and Gruen were both recommending moving forward with an RFQ for developers.

Director Mlikotin commented that he thought that there were people in the room who had this presentation material prior to the Board receiving it. GM Bartosik assured him that this was not the case.

Gruen said that the main issue is what are the supportable land uses that can support the greatest land value? Residential as shown on the plan may not create the land values shown in the financial analysis.

Mr. Moag said a financing plan has not been developed, that is the next step as this project moves forward. Tax incremental financing would have to be approved by the Legislature and will be pursued.

Ex Officio Assembly Member Jones commented that this information says that the project is going to generate a positive tax cash flow to the City and County and this may not be true. The analysis hasn't been completed and should be done.

Director Nakase said she supports moving forward with an RFQ to test the consultant's projections.

Director Mlikotin had a question about the timeline and is there any sense of urgency that a vote be taken today versus next month? Director Nakase responded that the RFQ process can begin without having a definitive decision whether we are going to accept the conceptual plan. The process will take 6 to 8 months to get done.

Director Hime said he sees 3 options:

1. Agree that this project is not right for Cal Expo and thank the NBA for their time.
2. Issue an RFQ to test the projections and see if the development community thinks the project has merit.
3. Become diligent stewards of society and spend the next 10 days reading every single line of the documents and come back and make a decision to start a RFQ process.

Directors Stacey and Mlikotin asked for more time to review the information and suggested that the discussion continue at a later date.

Director Beneto asked if Gruen could also return to answer questions.

DAG Blair suggested that Board Members send their questions to the GM Bartosik who will disseminate them to the Real Estate Committee. The Committee could answer each of the questions in writing and share the answers with the entire Board.

Director Gallagher supports seeking the input of the development community.

Motion:

It was moved by Director Gallagher and seconded by Director Nakase to move forward and authorize an Extension of the Letter of Understanding (LOU) and direct the Real Estate Committee and Staff to work with the NBA to begin a Request for Qualifications (RFQ) Process to Seek Potential Developers for the Proposed Project.

Director Mlikotin expressed his concerns that the information presented today was not received in advance. Discussion followed.

Director Mlikotin stated for the record, that at the last Board meeting and he was very clear, he asked would the Board be getting an advance copy, He was told that it would be at the very latest issued at the time of the meeting notice. The Board was told they would have some voice and input into the terms of the scope of the analysis of this plan. This was denied. The Board was told as it relates to this immediate decision that there would be two meetings and now things have changed and he doesn't understand the urgency.

Director Mlikotin asked Mr. Moag is there any urgency that this vote needs to be taken today, take 10 days from now or at the end of next month? Mr. Moag responded this is a Board issue and he does not want to be involved.

Director Gallagher withdrew his motion.

Motion:

It was moved by Director Stacey and seconded by Director Beneto to schedule a Board meeting on March 10, 2009.

Director Mlikotin asked that representatives from the City, County, Gruen and the NBA attend the proposed meeting.

Director Hime reminded the Board that both ERA and Gruen recommended that an RFQ be developed to seek the input of the development community.

Director Mlikotin asked that a summary of the RFQ process be provided at the March 10, 2009 Board Meeting.

Discussion followed about the LOU and its expiration date of March 31, 2009.

Mr. Moag told the Board that there is no LOU. When asked what he meant by that, Mr. Moag responded that the NBA had not signed and returned the LOU to Cal Expo.

GM Bartosik recommended that the Board take the following actions:

1. Direct staff to begin the preparation of an RFQ.
2. Approve holding a Board Meeting on March 10, 2009 to continue discussions on the information presented today.
3. That the Board Members provide written questions to the Real Estate Committee so that these questions can be answered and that this information can be provided to the full Board.
4. Ask representatives of the NBA to attend the March 10, 2009 Board Meeting.
5. Ask the NBA to sign and return the LOU.

Motion:

It was moved by Director Nakase and seconded by Director Gallagher to accept the recommendation of GM Bartosik.

Director Mlikotin asked for a roll call vote.

Ex Officio Assembly Member Jones stated that he has served on many public bodies and this is the first time that he has not received the information in advance of the meeting where the information was going to be discussed.

The roll was called and the results are as follows: **In favor: Directors Pérez-Cook, Albiani, Nakase, Hime, Gallagher, Cuneo, Stacey. Oppose: Directors Mlikotin and Beneto. Motion carried. 7-2.**

Motion:

It was moved by Director Mlikotin and seconded by Director Beneto that any future actions by the Board on matters involving the redevelopment of Cal Expo shall only be taken if the Board receives the information at least ten days in advance of the meeting. Discussion followed.

Director Hime asked for a roll call vote.

The roll was called and the results are as follows: **In favor: Directors Beneto, Mlikotin, Stacey and Cuneo. Oppose: Directors Pérez-Cook, Albiani, Nakase, Hime and Gallagher. Motion failed. 5-4.**

11. CORRESPONDENCE

None

12. UNFINISHED BUSINESS

None

13. NEW BUSINESS

None

14. MATTERS OF INFORMATION

- a. Public Comments
- b. Director's Comments
- c. Manager's Comments
- d. Next Board Meeting – **Tuesday, March 10, 2009**
Next Regular Meeting – **Friday, March 27, 2009**
- e. Other, if any

15. ADJOURNMENT

Motion:

It was moved by Director Hime and seconded by Director Nakase to adjourn the Board meeting. **All in favor, motion carried.**

The Board meeting was adjourned at 5:30 p.m.



February 26, 2009

Gil Albiani, Vice Chair
California State Fair
Board of Directors
1600 Exposition Blvd.
Sacramento, CA 95815

Dear Vice Chair Albiani:

On behalf of the Sacramento Area Council of Governments, I am submitting to you our comments on the proposed Cal Expo Master Plan for the 350-acre Cal Expo development site. Our general reaction to the plan is that is a well-designed urban village that takes excellent advantage of the site's location, orientation, and existing amenities. With the understanding that the plan is still at a conceptual stage, and many important details remain to be worked out, we offer the following thoughts.

It is clear that the master plan acknowledges the great potential of the Cal Expo site as an urban village. This is evident in the great number and intensity of uses proposed for the site. Travel modeling conducted for our Metropolitan Transportation Plan for 2035 indicates that as employment and housing densities near a place of residence increase, vehicle miles traveled per household (VMT/HH) decrease quite dramatically. In 2005, areas in Sacramento where combined employment and housing densities were between 20 and 60 jobs and housing units per acre, VMT/HH were between 15 and 20 miles per day. Compared to the current regional average of 52 VMT/HH per day, the future households on the Cal Expo site would generate dramatically fewer VMT per day than the average household in the region. In an urban area such as the proposed site plan, walk and bike trips sometimes make up nearly half of a household's trips per day.

The site plan's mix of uses and their orientation to each other will ensure a 24-hour community. Housing, shopping, employment, and entertainment districts are located near enough to each other than a person could easily walk to any destination. Furthermore, the mixed-use districts act as transition zones between the larger residential, retail, office, and entertainment districts. We appreciate that even though these districts are defined by a dominant use, other supporting uses are integrated within them. The new residential products, at densities in the range of 30 to 80 dwelling units per acre, respond to the changing market demand and demographics of region and the nation. The farm and farmer's market pavilion between the fair grounds and the residential district are a great amenity to the site. We appreciate the master plan's acknowledgement of the importance of agriculture by incorporating the theme into the site design in a meaningful way.

Auburn
Citrus Heights
Colfax
Davis
El Dorado County
Elk Grove
Folsom
Galt
Isleton
Lincoln
Live Oak
Loomis
Marysville
Placer County
Placerville
Rancho Cordova
Rocklin
Roseville
Sacramento
Sacramento County
Sutter County
West Sacramento
Wheatland
Winters
Yuba County
Yuba City
Yuba County

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Critical to the success of an urban village is how well the circulation system serves not just auto trips, but also pedestrian and bicycle trips. It is clear from the site plan that pedestrian and bike routes are thoroughly integrated with the automobile street pattern. We are pleased to see that the site was designed so that a person can walk 5-minutes in any direction and be at any number of destinations, whether it is a home, job, or store.

Furthermore, the site has been designed so that from end to end a pedestrian walks 20-25 minutes, always in a pedestrian-oriented environment. All of these circulation systems form an appropriately fine-grained grid pattern that seamlessly ties each district together.

One aspect of the plan that concerns us is the relatively high parking ratio for the residential district. In an urban neighborhood well-served by nearby employment and shopping, the ratio of 350 square feet per 1000 square feet of residential is high. We understand the difficulty of estimating the appropriate amount of parking, particularly for a project as unique as this, and would be happy to work with you in refining this ratio. The overall parking ratios for the site are good, utilizing shared parking aggressively and ratios that recognize the anticipated transit, walk and bike trips. This may simply be a matter of redistributing some of the residential parking elsewhere on the site.

Overall, we commend you for the thoughtful design of the Cal Expo Master Plan. If built according to plan, the resulting community would be a great asset to the Sacramento region. We very much appreciate your willingness to listen and work with us on this site plan and look forward to working with you to find ways to ensure that the needed transportation infrastructure to serve the site is available. As you note throughout the document a first class transit system for the site is going to be essential to its success. We appreciate that your concept plan makes this a very real possibility.

Sincerely,



Mike McKeever
Executive Director

Attachment

MM:KL:ef

cc: NBA Commissioner David Stern

Sacramento Area Council of Governments: Basis for Comment on Development Proposals

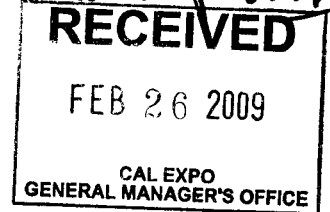
The Sacramento Area Council of Governments (SACOG) is comprised of six counties and 22 cities in the region, including the City of Sacramento. SACOG's primary responsibility is developing and implementing the Metropolitan Transportation Plan (MTP), a document that establishes transportation spending priorities throughout the region. The MTP must be based on the most likely land-use pattern to be built over the 25-year planning period, and it must conform with federal air quality regulations.

The MTP must effectively address two, linked, challenges. Current land-use patterns, transportation funding levels, and transportation investment priorities are projected to lead to an increase in vehicle miles traveled that exceeds population growth, an increase in congestion levels of 50%, and increases in mobile-source emissions, particularly carbon dioxide and particulates¹. To attempt to solve these challenges two and one-half years ago the SACOG Board initiated the Blueprint Project, an extensive study of the linkages between transportation, land use and air quality. The study examined a number of growth alternatives at the neighborhood, county and regional scales and reached several important conclusions, including:

- The region will experience strong growth for the next 50 years, approximately doubling the number of jobs, people and houses;
- The structure of the population will change significantly, with two-thirds of the growth in households 55 years and older, and only 21 percent of the growth in households with school aged children;
- Older households have different housing needs and preferences than younger households – over two-thirds of today's householders over 55 express housing preferences for what might be termed non-traditional products in this marketplace – homes on small lots and attached housing;
- The rapid increase in housing prices in the region in the past few years has priced many people out of the home-buying market, emphasizing the need for alternative products such as small-lot single-family and attached housing that can be priced in a range that more people can afford;
- There is a strong connection between land-use patterns, travel behavior and air quality;
- Specific land-use patterns that lead to increased walking, biking and transit use and shorten the length of automobile trips include higher density housing and employment, locating jobs and housing near each other, and providing strong connectivity in the design of street and bicycle/pedestrian systems.

¹ SACOG Metropolitan Transportation Plan, 2002

Attach to minutes of 2/27



TO: California State Fair & Exposition Board of Directors

DATE: February 26, 2009

**RE: Comments from Community Conversation held Tuesday, February 24, 2009
from 6:00 – 8:00 pm**

On Tuesday, February 24th 2009, twenty-three community members gathered at the request of the National Basketball Association to discuss the Cal Expo redevelopment project. This meeting was follow-up to a similar meeting held in May 2008, in which the NBA and Cal Expo representatives discussed the development plans and asked the community members to weigh in on their ideas and opinions. In the meeting held Tuesday, community members were briefed on the progress made over the last nine months and they had an opportunity to share their comments on a questionnaire that was collected at the end of the meeting. Below are highlights from their responses:

- The Sacramento community will see important benefits from this project, including job creation and mitigation for the Cal Expo area.
- Affordable/mixed income housing is an important need for the area.
- Facilities that can be used year-round should be encouraged. We need to make activities available for families across the entire socio-economic range.
- Sacramento needs a family-friendly venue that can provide entertainment and an economical stimulus to the region.
- This development will have a huge impact on the Natomas community and it is important to keep them up to speed on the progress.
- Sacramento residents are adamantly against raising taxes for a new Sacramento Kings arena. The residents of the city and county of Sacramento have previously expressed that they oppose contribution of public funds for the arena.
- The additional traffic generated by the Cal Expo development plan is a considerable concern of the community. Overcrowding on Business-80 and Cap City Freeway is a serious issue that should be discussed in depth with city transportation officials.
- The thought of having a "green" project development of this size in Sacramento is exciting and encouraging. Water conservation and efficiency should be emphasized.
- The project is competition with the railyards in terms of city development prospects.
- We should keep in mind that development planning can go forward with or without basketball.
- This development project can resolve Cal Expo's current lack of adequate funding. It will be a great advantage to Cal Expo and the city and county of Sacramento because if the new arena is developed the property is subject to bring taxed by the city and county.

To be submitted for the record of the Cal Expo board meeting held on February 27, 2009.

PHASE I – CALIFORNIA FAIRS ECONOMIC STIMULUS PLAN

What has been accomplished:

1. After two years of preparation and planning and several days of intense State Budget negotiations, the Governor and the California Legislature have agreed to **Phase I** of the California Fairs Economic Stimulus Plan by creating a new, permanent funding source as a base of support for the state's network of agricultural fairs. (SB 2X 16 – Ashburn)

Before: Fair funding had fallen from \$32 million in 1999 to a projected low of \$24 million in 2009.

After: Fair funding will be restored with a continuous appropriation of \$32 million transferred from the General Fund to the Fair and Exposition Fund on July 1, 2009 and every July 1 thereafter. California's Fairs employ more than 30,000 of the state's citizens and generate more than \$200 million annually in tax revenues to state and local government, while producing a total annual economic impact of \$2.5 billion.

Benefit to Cal Expo: Cal Expo receives \$250,000 annually from the F & E Fund to partially offset the state assessment of pro rata charges, which other fairs don't pay. This line item has been preserved and will continue in the future. There will be additional unknown benefits to all fairs, including Cal Expo, as the result of the moving the Fair and Exposition Fund to a more stable funding source, eliminating the annual shortfall in fair funding resulting from declines in horse race wagering.

2. Shifting the burden of funding fairs at the state level from horse racing license fees to another more stable funding source results in the racing associations and racing fairs being the beneficiaries of \$36 million in license fee relief. The license fees that would normally go to fund fairs will now be retained by the horse racing industry for purses, commissions and breeders awards.

Before: Horse racing associations and racing fairs were mandated by law to pay \$40 million annually to the state in license fees. The associations and fairs have not met the \$40 million guarantee for the past two years and, along with their horsemen, are responsible for making up the shortfall to the state on a pro rata basis.

After: The provision requiring the \$40 million guarantee was repealed. In its place is the new law which, in lieu of any license fees payable to the state, mandates that the only license fee payable to the state is the amount necessary to fund the California Horse Racing Board and the equine drug testing program. The amount remaining after the funding of the board and the drug testing program is then divided among the horsemen in the form of purses, the racing association or fair in the form of commissions, and the breeders in the form of breeders awards.

Benefit to Cal Expo: Cal Expo will benefit to the extent of license fees payable to the state annually. In 2008 license fees paid by Cal Expo were as follows:

State Fair	\$188,000	Note: Numbers are rounded
Harness	<u>356,000</u>	
Total	\$544,000	

(Less Cal Expo's share of funding the CHRB and equine drug testing - Costs are shared by horsemen.) Note: The exact costs have yet to be determined and may be higher or lower than this estimate.

Estimated Benefits after funding the CHRB and drug testing:

State Fair:	Breeders Awards = \$	3,865
	Purses	\$ 62,521
	Commissions	\$ 62,521 (Retained by Cal Expo)

Harness Racing:	Breeders Awards = \$	14,646
	Purses	\$114,731
	Commissions	\$114,731 (Retained by Cal Expo)

Total Benefit annually to Cal Expo from License Fee Relief = \$177,252

3. Supplemental Purse Funds totalling \$1,100,000 annually were preserved in the legislation and, to the extent that Cal Expo receives any of these funds as performance purses, they remain available. Cal Expo pays an additional 1% to F&E which will be allocated to benefit racing fairs. This amounts to approximately \$40,000 which will be at the discretion of CARF and may be returned to benefit the State Fair.

4. Since there is no longer a license fee, any future revenue resulting from an increase in business will accrue to the benefit of Cal Expo and the horsemen participating in the racing meeting.

PHASE II – CALIFORNIA FAIRS ECONOMIC STIMULUS PLAN

What is in progress:

1. **Phase II** of the economic stimulus plan for the Network of California Fairs has to do with obtaining funding for the backlog of ADA compliance projects, Health and Safety projects, Deferred maintenance projects and modernization and new infrastructure projects at fairgrounds across the state. The Division of Fairs and Expositions has compiled a list of capital improvements at the state's fairs totalling approximately \$250 million. Most of these projects are "shovel-ready" and have been in the queue for several years, lacking the funding to move forward. In order for fairs to remain competitive in the events and entertainment marketplace it is essential that the aging infrastructure at the fairgrounds in all corners of the state be modernized and, in many cases, replaced with new energy efficient buildings. In the months ahead we will be working with strategic partners to obtain an additional \$28 million for the repayment of the principal and interest costs of bonds issued to finance the rebuilding and renewal of California's fairgrounds.

2. A component of **Phase II** of the plan is an \$80 million carve-out for four of the larger fairs in the state, specifically, the L. A. County fairground, the San Diego County fairground, the Alameda County fairground and the Cal Expo fairground. Each of these fairs, because of their significant role in the horse racing industry, has been selected to receive \$20 million for capital improvements as part of the infrastructure package. If this phase of the Plan is successful, the additional infusion of dollars will put the California Exposition and State Fair in position to be a leader in the fair industry effort to revitalize fairground properties and stimulate new business opportunities at fairs.

3. The California Fairs Economic Stimulus Plan will result in \$250 million in improvements to publicly owned facilities, create more than 6000 new jobs and generate tens of millions of dollars in new tax revenue for state and local government.

2009 California State Fair Calendar						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August 21 - September 7						
Fair Hours: Friday thru Sunday & Labor Day 10am-10pm Monday thru Thursday 12 Noon-10pm		Recurring Events: DWR – The Delta – A/B Candyland – Building 4 Expo Center Wild Science - Building 3 Expo Center		June 11-13 Wine Competition July 9 Grape & Gourmet Aug 14 Gala Aug 20 Animals (Livestock and F&F) move in	20 5:30 Awards Ceremony (Expo Center)	21 Senior Friday Fair Hours 10 am -10 pm 9:30am Open Ceremony Counties Day & Awards *Sheep Dog Trials *Diving Dogs
23	24	25 Kid's Day	26		28 Senior Friday	29
Fair Hours 10 am -10 pm Firemen's Cookoff Dirt to Dish *Diving Dogs	Fair Hours 12 noon - 10 pm Sale of Champions @ Grandstands Ag Advisory Council	Fair Hours 12 noon - 10 pm Poppy's Birthday Party School Farm/Forest Tours International Day First Responder's Day	Fair Hours 12 noon - 10 pm Opening Day Thoroughbred Racing	Fair Hours 12 noon - 10 pm Fun For All Day	Fair Hours 10 am -10 pm Farm Camp Dirt to Dish Brewfest @ Grandstands	Fair Hours 10 am -10 pm Arts Day Dirt to Dish
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6	7 Labor Day					
Fair Hours 10 am -10 pm Firemen's Challenge - Final Demo Derby Dirt to Dish	Fair Hours 10 am -10 pm Last Day of the Fair Demo Derby Dirt to Dish					
						*Tentative

Friends of the California State Fair Scholarship Program

- The Friends of the California State Fair Scholarship Program was initiated through the collaborative efforts of the Friends of the California State Fair, the California State Fair, the California State Fair Agricultural Advisory Council, and the State Fair Gala Committee.

This year a total of twenty-four scholarships will be available, seven at \$1,500.00 each, one at \$1,250, four at \$1,000.00 each, six at \$750.00 each, four at \$500.00 each, one at \$250 and the outstanding candidate receiving \$5,000.00 from the Ironstone Concours Foundation. When developing your application packet, please be specific to your category of choice. **You may only apply in one category.**

This program seeks to motivate well-rounded, high academic achievers in pursuit of their careers and life goals. Preference will be given to individuals with broad personal, civic and academic experience. Applicants will be evaluated on the basis of their personal commitment and goals established for his/her chosen field, leadership potential, civic accomplishments, qualifications for category entered and the completeness of his/her application packet.

- The applicant must be a *California resident*.

CALENDAR

March 20	Application Deadline
April 30	Final Applicant Interviews
Aug 14	California State Fair Gala
Aug 21	California State Fair opens
Sept 7	California State Fair closes

HOW TO CONTACT US

Send applications to:	Friends of the Fair Scholarship Program c/o Kate O'Neil California State Fair P.O. Box 15649 Sacramento, CA 95852
Hand delivery:	1600 Exposition Blvd. Sacramento, CA 95815
For further information:	Phone: (916)263-3636 koneil@calexpo.com www.bigfun.org

FRIENDS OF THE FAIR
SCHOLARSHIP PROGRAM
P.O. BOX 15649
SACRAMENTO, CA 95852
www.bigfun.org



2009 Scholarship Program

ENTRY DEADLINE:

March 20, 2009

**For a complete Scholarship Application
visit our website at www.bigfun.org**

ELIGIBILITY REQUIREMENTS

- Must be enrolled in or planning to enroll in a four-year California accredited college or university, an accredited California community college, or an accredited culinary arts trade school. The applicants for university/college categories must have been accepted or currently enrolled in a baccalaureate degree program or when appropriate, a graduate or credential program at the university or college. Applicants for community college categories must have been accepted or enrolled in an Associate of Arts/Sciences Degree Program at an accredited community college.
 - Must have a cumulative grade point average of 3.0 or better.
 - Must be a California resident with a valid ID.
 - **NEW IN 2009** - Final applicants for the overall scholarship of \$5,000 will be only those students scoring 95% or higher on their completed application packet and essay(s). There will not necessarily be an overall finalist from each category. These finalists will be required to participate in a formal interview with the committee. All interviews will be held on Thursday, April 30, 2009, in Sacramento.
 - Each application packet must include:
 - 1 set of originals and 1 set of copies of each of the following required documents:
 - Official Friends of the California State Fair application
 - A personal statement of at least two and not more than three typed pages (double-spaced 12pt. font) indicating why you are pursuing your desired career and life goals, and your involvement in community and volunteer service.
 - Original transcript (accumulative and current)
 - Additional Essay for Categories 3 and 4
 - Two current letters of recommendation/one must be from a professional educator on letterhead – Note: Only two recommendations will be considered.
- NEW IN 2009** If you are a returning applicant you must submit new letters of recommendations and they must be from a different educator/person and not from those used in prior years for this scholarship competition.
- NOTE: Only complete packets with all above documents will be considered and judged (NO EXCEPTIONS).**
- Application packets and all their contents, become the property of the Friends of the California State Fair.
 - Employees and immediate family members of employees and Board of Directors of the California Exposition & State Fair, Friends of the California State Fair, the California State Fair Agricultural Advisory Council, Cultural Advisory Committee and the Ironstone Concours Foundation are not eligible for this program.

- Complete application packets must be postmarked or delivered to the Friends of the California State Fair NO LATER THAN 5:00 P.M. on Friday, March 20, 2009.

SCHOLARSHIP CATEGORIES

1. For past participants (exhibitors) in the California State Fair from 2006, 2007 & 2008 in competitive programs for youth (livestock, horse, small animal, dog, County Fair Best of Show, and still exhibits). This category is open to students who will be enrolled in a four-year accredited college, university or an accredited community college in the Fall of 2009. **Total Monies Awarded \$2,250**
2. Students enrolled in an International Studies program/major (graduate or undergraduate) at an accredited college or university. **Total Monies Awarded \$2,000**
3. High school students who rate in the top 10 percent for academic performance and are planning to attend an accredited four-year college or university in the Fall of 2009. *As part of their application packet, applicants in this category must submit a 500 word (maximum) statement that answers the following question: In your opinion, what can be done to ensure that our California communities sustain a Green future and are protected from those environmental problems that threaten our future?* **Total Monies Awarded \$2,250**
4. Students enrolled in a California high school and recognized as a "Sacramento Region Top Achiever" (defined as the top 5 five percent of students in your graduating class for academic performance in one of these counties - El Dorado, Sutter, Placer, Sacramento, Yolo, San Joaquin, Calaveras, Amador or Yuba County). This category is intended for students currently enrolled in high school and are planning to attend an accredited four-year college or university in the Fall of 2009. *As part of their application packet, applicants in this category must submit a 500 word (maximum) statement that answers the following question: If you were manager for a day at the California State Fair what would you change or add to make it the best fair in the history of this great State?* **Total Monies Awarded \$2,250**
5. Students currently enrolled in a recognized undergraduate "Arts" program/major at an accredited college or university. (I.e. visual arts, dance, music, film, etc.). **Total Monies Awarded \$1,500**
6. Students enrolled in a Teacher Credential Program at an accredited college or university. Re-entry professionals included. **Total Monies Awarded \$1,500**
7. Students enrolled in Viticulture or Enology program/major (graduate or undergraduate). **Total Monies Awarded \$1,500**

8. Students enrolled in a Culinary Cooking or Hospitality Management program/major. This category is intended for students who will be enrolled in the Fall in an accredited four year university or college, a California Culinary Specialty School or an accredited Community College. **Total Monies Awarded \$2,000**
9. Agricultural Students currently enrolled in a four-year accredited college, university or an accredited community college and having successfully completed 12 units of credit of course work in agricultural classes. Graduate or undergraduate students are acceptable. **Total Monies Awarded \$2,250**
10. Agricultural Students currently in high school and planning to enter a four-year accredited college, university or accredited community college as an Agricultural student in the Fall. Seniors or juniors that are completing high school in the of Spring 2009 and planning to attend college in the Fall of 2009 qualify. **Total Monies Awarded \$2250**
11. The Eddie G. Cole Memorial scholarship for students enrolled in a physical education major, agriculture, equine studies or pursuit of a profession within the Fair industry. **Total Monies Awarded \$1,250**
12. The Thomas W. O'Neil, Jr. Memorial scholarship for high school seniors planning to enroll or students currently enrolled in either a business, education, history or sports management major at a four year accredited college or university, or are pursuing a profession within the Fair industry. **Total Monies Awarded \$1,500**

PLEASE NOTE: All scholarship checks will be paid directly to the college or university through the financial aid department in the name of the recipient. All monies may only be used for tuition, fees, books, materials and supplies, housing and meals purchased on campus or through the Financial Aid Office during the 2009/2010 academic year. Award Recipients will be announced at the conclusion of all interviews on April 30 and in a press release by August 2009.

CALIFORNIA EXPOSITION & STATE FAIR

Finance & Audit Committee Meeting Minutes
Friday, February 27, 2009
10:00 a.m.

MINUTES

Committee Members Present:

Rick Stacey, Chair
Director Marko Mlikotin
Director Corny Gallagher

Staff Present:

General Manager/CEO (GM)
Deputy General Manager (DGM)
Assistant General Manager, Fiscal Services (AGM)
Assistant General Manager, Racing (AGM)
Assistant General Manager, Marketing &
Public Relations (AGM)
Assistant General Manager, Programs (AGM)
Admissions & Parking Manager
Exhibits Supervisor
Contracts Manager
Recording Secretary

Norb Bartosik
Brian May
Amy Casias
Dave Elliott
Erica Manuel

Patricia Garamendi
Marcia Shell
Greg Kinder
Jan Risso
Linda Contreras

Others Present:

Mixed Media
LED Partners

Randy Hollister
Tom Langeland

Chair Stacey called the meeting to order at 10:03 a.m.

NEW BUSINESS

1. Policy on Accounts Receivables Aging

AGM Casias provided a report to the Committee on the Accounts Receivables Aging Policy included in the Board packet.

Motion:

It was moved by Director Gallagher and seconded by Director Mlikotin to accept and recommend to the Board for approval the Accounts Receivables Aging Policy. **All in favor, motion carried.**

2. Monthly Financial Statements December 2008

AGM Casias reviewed the monthly financial statements for December 2008.

Harness racing netted \$900,000 more than projected. Additionally, staff did an excellent job in finding savings in all unit budgets.

Concerns were expressed about the new Governmental Accounting Standards Board (GASB) 45 regulation.

The Committee asked that Staff be informed of the Committee's appreciation for a job well done in managing the budget.

Chair Stacey asked for an aging report for the Accounts Payable.

AGM Casias reported that the cash flow today is at \$1.09 million.

Chair Stacey asked when the audit would begin. AGM Casias reported that the audit would begin March 9th.

MATTERS OF INFORMATION

1. Letter for Services from Macias Gini & O'Connell LLP

The Committee had no questions.

2. Accounts Receivable Report

AGM Casias reviewed the Accounts Receivable Report and reported that staff has been contacting debtors for payment.

3. Purchases/Contracts Requiring Board Notification

AGM Casias reviewed the Purchases/Contract Requiring Board Notification.

4. Sponsor Report

Sponsorship Sales, Brian Honebein, distributed a Sponsorship Revenue Tracking Report for the 2009 State Fair. A copy of the report for review is on file.

5. Financial Trends from Budget/Actual Comparisons

AGM Casias distributed a 2009 Budget Summary for the Committee's review. It was reported that there was a typo in the final 2008 numbers. The positive reserve figure should be \$31,081 or .1%, as of 12/31/2009. A copy is attached and made part of the record.

6. Review Cal Expo Goals (fiscal related)

AGM Casias had nothing to report. Director Mlikotin asked to have a report provided to the Committee next month.

Motion:

It was moved by Director Gallagher and seconded by Director Mlikotin to accept and recommend to the Board for approval the financial statements for December 2008.

All in favor, motion carried.

ADJOURNMENT

The Finance & Audit Committee meeting adjourned at 11:03 a.m.

California Exposition & State Fair
2009 Budget Summary
2/27/2009

Revenue Budget	\$ 29,396,462
Expense Budget (Less depreciation)	\$ 29,273,501
Net Profit/Loss from Operations	\$ 122,961
Less: Depreciation	\$ 2,200,000
Plus: Loan Repayment	\$ 278,500
Net change to reserves	\$ (1,798,539)

The 2009 Budget plans for a positive cash flow of \$122,961 and a net decrease to reserves of \$(1,798,539). Based on the budget and final 2008 numbers, we will have a positive reserve of \$31,081,000 or .1% as of 12/31/2009.

Revenue Highlights:

State Fair-

- Due to the uncertainty in the economy the 2009 budget is based on paid attendance of 500,000 people, a decrease of 7.5%.
- All other revenue is decreased a minimum of 10% with sponsorship revenue budgeted down by 24% to \$1.9 million. We expect to meet sponsorship budget.
- Based on Butler agreement terms we anticipate exceeding carnival budget by \$200,000 based on budgeted attendance.

Interim-

- Due to declining attendance at events, budgeted revenue was decreased by 15% before parking increase.

For the 1st 6 weeks of the year show attendance as follows:

- Gun Show - up 6%(186)
- Great Train Expo - up 38%(763)
- Bridal Showcase - down 13%(537)
- ISE - down 16% (5,875)
- Home & Landscape - down 1% (464)
- Autorama - down 5% (1,083)
- Sports, Boat & RV - down 59% (5,525)
- Total Attendance on Grounds – down 11%

Parking

Cars parked is down 18%, but was budgeted to be down 25% with the increase in price.

Food & Beverage

Food and Beverage commissions are down 6.6%.

- Simulcast revenue budget was decreased 10%- January 2009 commissions actually up 4%
- Budgeted revenue for ATM surcharge – Likely we will miss this \$100,000 budget by \$25,000.

Expense Highlights:

- The Furlough program will not produce any noticeable savings due to mandatory overtime (paid at straight time) that will be worked by employees to ensure that Cal Expo can fulfill obligations to the event promoters and prepare for the state fair.
- General Liability Insurance was \$20,000 less than budgeted.

CALIFORNIA EXPOSITION & STATE FAIR

State Fair, Agriculture & Marketing Committee Meeting Minutes

Friday, February 27, 2009

9:00 a.m.

MINUTES

Committee Members Present:

Gil Albiani, Chair
Director Amparo Pérez-Cook
Director Marko Mlikotin
Director Kathy Nakase

Staff Present:

General Manager/CEO (GM)
Deputy General Manager (DGM)
Assistant General Manager, Racing (AGM)
Assistant General Manager, Programs (AGM)
Assistant General Manager, Marketing &
Public Relations (AGM)
Admissions & Parking Manager
Sponsorship Sales
Exhibits Supervisor
Contracts Manager
Entertainment Coordinator
Maintenance Operations Manager
Recording Secretary

Norb Bartosik
Brian May
Dave Elliott
Patricia Garamendi
Erica Manuel

Marcia Shell
Brian Honebein
Greg Kinder
Jan Risso
Paul Gillingham
Mark Dannewitz
Linda Contreras

Chair Albiani called the meeting to order at 9:00 a.m. and dispensed with reading the Mission Statement and Public Comments Statement.

MATTERS OF INFORMATION

1. Review of the 2009 Grape & Gourmet Budget

GM Bartosik reviewed the thinking behind moving the Grape & Gourmet to the Convention Center.

Director Nakase commented that the Grape & Gourmet has traditionally been an event where you have restaurants participating along with the wineries. Is this going to erode the participation of the restaurants because it is a duplication of the Wine & Dine Week held by the Sacramento Convention & Visitors Bureau? GM Bartosik responded that he did not think so; this may heighten our event because it would bring all of those together under one roof.

AGM Manuel reported on the partnerships with the Sacramento Convention & Visitor Bureau which will enhance the image and branding of the event.

The Committee Members asked that staff make certain that the branding of the event be retained so it is continued to be known as the State Fair's event.

2. Staff Reports

AGM Manuel reviewed her report included in the Board packet.

Sponsorship Sales, Brian Honebein, distributed and reviewed his Sponsorship Sales Revenue Tracking Report. The Committee asked if the report could include year to date comparisons. Also, what the sponsors paid last year compared to this year. A copy of the report for review is on file.

AGM Manuel announced to the Committee that Heather Lopez, Marketing Assistant, was the mother of a new born son.

AGM Garamendi reviewed her report included in the Board packet. AGM Garamendi distributed information on the 2009 Friends of the Fair Scholarship Program and the State Fair Calendar of Events, revised copy. Copies are attached and made part of the record.

AGM Garamendi asked the Committee for their support with the Ag Heritage Club.

Chair Albiani provided the Committee with an update on the State Fair Gala. The VIP event will be moved back to the Boardroom. Director Nakase asked what the purpose was of the VIP event. GM Bartosik responded that it is to acknowledge the sponsors who purchase tables and for the recognition of the current and past award recipients and their families.

ADJOURNMENT

The State Fair, Agriculture and Marketing Committee meeting adjourned at 9:55 a.m.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August 21 - September 7						
Fair Hours: Friday thru Sunday & Labor Day 10am-10pm Monday thru Thursday 12 Noon-10pm	Recurring Events: DWR - The Delta - A/B Candyland - Building 4 Expo Center Wild Science - Building 3 Expo Center		June 11-13 Wine Competition July 9 Grape & Gourmet Aug 14 Gala Aug 20 Animals (Livestock and F&F) move in		20	21 Senior Friday
					5:30 Awards Ceremony (Expo Center)	Fair Hours 10 am -10 pm 9:30am Open Ceremony Counties Day & Awards *Sheep Dog Trials *Diving Dogs
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- The applicant must be a *California* resident.

CALENDAR

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HOW TO CONTACT US

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FRIENDS OF THE FAIR
SCHOLARSHIP PROGRAM
P.O. BOX 15649
SACRAMENTO, CA 95852
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2009 Scholarship Program

ENTRY DEADLINE:

March 20, 2009

For a complete Scholarship Application
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 - Must have a cumulative grade point average of 3.0 or better.
 - Must be a California resident with a valid ID.
 - **NEW IN 2009** - Final applicants for the overall scholarship of \$5,000 will be only those students scoring 95% or higher on their completed application packet and essay(s). There will not necessarily be an overall finalist from each category. These finalists will be required to participate in a formal interview with the committee. All interviews will be held on Thursday, April 30, 2009, in Sacramento.
 - Each application packet must include:
 - 1 set of originals and 1 set of copies of each of the following required documents:
 - Official Friends of the California State Fair application
 - A personal statement of at least two and not more than three typed pages (double-spaced 12pt. font) indicating why you are pursuing your desired career and life goals, and your involvement in community and volunteer service.
 - Original transcript (accumulative and current)
 - Additional Essay for Categories 3 and 4
 - Two current letters of recommendation/one must be from a professional educator on letterhead – Note: Only two recommendations will be considered.
- NEW IN 2009** If you are a returning applicant you must submit new letters of recommendations and they must be from a different educator/ person and not from those used in prior years for this scholarship competition.
- NOTE: Only complete packets with all above documents will be considered and judged (NO EXCEPTIONS).**
- Application packets and all their contents, become the property of the Friends of the California State Fair.
 - Employees and immediate family members of employees and Board of Directors of the California Exposition & State Fair, Friends of the California State Fair, the California State Fair Agricultural Advisory Council, Cultural Advisory Committee and the Ironstone Concours Foundation are not eligible for this program.

- Complete application packets must be postmarked or delivered to the Friends of the California State Fair **NO LATER THAN 5:00 P.M. on Friday, March 20, 2009.**

SCHOLARSHIP CATEGORIES

1. For past participants (exhibitors) in the California State Fair from 2006, 2007 & 2008 in competitive programs for youth (livestock, horse, small animal, dog, County Fair Best of Show, and still exhibits). This category is open to students who will be enrolled in a four-year accredited college, university or an accredited community college in the Fall of 2009. **Total Monies Awarded \$2,250**
2. Students enrolled in an International Studies program/major (graduate or undergraduate) at an accredited college or university. **Total Monies Awarded \$2,000**
3. High school students who rate in the top 10 percent for academic performance and are planning to attend an accredited four-year college or university in the Fall of 2009. *As part of their application packet, applicants in this category must submit a 500 word (maximum) statement that answers the following question: In your opinion, what can be done to ensure that our California communities sustain a Green future and are protected from those environmental problems that threaten our future?* **Total Monies Awarded \$2,250**
4. Students enrolled in a California high school and recognized as a "Sacramento Region Top Achiever" (defined as the top 5 five percent of students in your graduating class for academic performance in one of these counties - El Dorado, Sutter, Placer, Sacramento, Yolo, San Joaquin, Calaveras, Amador or Yuba County. This category is intended for students currently enrolled in high school and are planning to attend an accredited four-year college or university in the Fall of 2009. *As part of their application packet, applicants in this category must submit a 500 word (maximum) statement that answers the following question: If you were manager for a day at the California State Fair what would you change or add to make it the best fair in the history of this great State?* **Total Monies Awarded \$2,250**
5. Students currently enrolled in a recognized undergraduate "Arts" program/major at an accredited college or university. (i.e. visual arts, dance, music, film, etc.). **Total Monies Awarded \$1,500**
6. Students enrolled in a Teacher Credential Program at an accredited college or university. Re-entry professionals included. **Total Monies Awarded \$1,500**
7. Students enrolled in Viticulture or Enology program/major (graduate or undergraduate). **Total Monies Awarded \$1,500**

8. Students enrolled in a Culinary Cooking or Hospitality Management program/major. This category is intended for students who will be enrolled in the Fall in an accredited four year university or college, a California Culinary Specialty School or an accredited Community College. **Total Monies Awarded \$2,000**
9. Agricultural Students currently enrolled in a four-year accredited college, university or an accredited community college and having successfully completed 12 units of credit of course work in agricultural classes. Graduate or undergraduate students are acceptable. **Total Monies Awarded \$2,250**
10. Agricultural Students currently in high school and planning to enter a four-year accredited college, university or accredited community college as an Agricultural student in the Fall. Seniors or juniors that are completing high school in the of Spring 2009 and planning to attend college in the Fall of 2009 qualify. **Total Monies Awarded \$2250**
11. The Eddle G. Cole Memorial scholarship for students enrolled in a physical education major, agriculture, equine studies or pursuit of a profession within the Fair industry. **Total Monies Awarded \$1,250**
12. The Thomas W. O'Neil, Jr. Memorial scholarship for high school seniors planning to enroll or students currently enrolled in either a business, education, history or sports management major at a four year accredited college or university, or are pursuing a profession within the Fair industry. **Total Monies Awarded \$1,500**

PLEASE NOTE: All scholarship checks will be paid directly to the college or university through the financial aid department in the name of the recipient. All monies may only be used for tuition, fees, books, materials and supplies, housing and meals purchased on campus or through the Financial Aid Office during the 2009/2010 academic year. Award Recipients will be announced at the conclusion of all interviews on April 30 and in a press release by August 2009.